

HOLTZMAN VOGEL JOSEFIAK PLLC

Attorneys at Law

45 North Hill Drive
Suite 100
Warrenton, VA 20186
p/540-341-8808
f/540-341-8809

November 30, 2012

Jeff. S. Jordan
Supervisory Attorney
Complaints Examination & Legal Administration
Office of General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Re: RR 12L-83 (Republican Party of Minnesota)

Dear Mr. Jordan,

This letter is submitted by the undersigned counsel on behalf of the Republican Party of Minnesota (the "Party") in the matter of RR 12L-83. We are in receipt of your correspondence dated October 3, 2012, in the above referenced matter, regarding the Reports Analysis Division (RAD) Referral of the Republican Party of Minnesota to the Office of General Counsel (OGC) for possible enforcement action. The RAD Referral concerns a series of amendments to reports initially filed during the period 2009 – 2011. Your letter indicated that the Party may submit to OGC any factual or legal materials deemed relevant to this matter, to be considered prior to OGC making a recommendation on the matter to the Commissioners.

With respect to the disclosure of additional receipts, disbursements, and debt on the amended reports, these amendments speak for themselves. We wish to note for the record, however, the impetus for the amended filings in order to provide background and context.

As the Commission is aware, a Final Audit Report of the Commission on the Republican Party of Minnesota, covering January 1, 2007 to December 31, 2008, was issued on March 1, 2011. Between the period covered by this audit and the present, the Republican Party of Minnesota has undergone substantial leadership and staff turnover. Chairman Ron Carey served from June 2005 to July 2009. He was succeeded by Chairman Tony Sutton, who served until December 2011. Following Chairman Sutton's resignation, Pat Shortridge was elected Chairman, and Mr. Shortridge continues to serve in that position today.

RR 12L-83
Page 1 of 3

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Through a series of self-initiated, internal review procedures and investigations, the Party discovered the additional receipts, disbursements, and debts that are now accurately reported on the amended reports that prompted this Referral.

The Party's current staff has worked closely with RAD since January 2012, just after it assumed the leadership of the Republican Party of Minnesota. In other words, the current leadership has worked diligently to correct the filings of its predecessors. In February 2012, the Party filed amendments to all the previously filed 2011 reports. In February 2011, the Party filed amendments to the previously filed 2009 reports. Amendments to the 2010 reports were filed in March and April 2011.

All of these amended reports are the result of lengthy and time-intensive efforts to investigate, review, self-diagnose and correct not only the Party's FEC filings, but also its underlying accounting books, records and other financial statements. While the current leadership and staff of the Party did not file the incorrect FEC reports of 2009-2011, the current leadership and staff accepts responsibility for those reports and has devoted all resources necessary to correct the record.

In considering the RAD Referral to OGC, the Commission is urged to take into consideration the significant mitigating factors present in this matter. The Party has suffered widely-reported financial mismanagement in recent years. This mismanagement was *not* the work of the current leadership and staff. The current leadership and staff – including Party leaders who are CPAs and a former Minnesota State Auditor – self-initiated extensive investigations, reviews, and accountings in a wide-ranging effort to correct the problems inflicted on the Party by others. As the Commission is also aware, past mismanagement has left the Party with significant debt. While the Party continues to wrestle with this debt, it has corrected the public record through extensive amendments filed with the FEC, in close consultation with RAD.

The current Secretary and Treasurer of the Party, Bron Scherer, is an experienced CPA with decades of experience who is actively involved in the daily financial affairs of the Party. Mr. Scherer reviews and approves all expenditures, reviews bank account statements and conducts monthly reconciliations, reviews all charges to accounts, and reconciles all subsidiary ledgers and reports (including accounts and notes payable) to the Party's general ledger as well as to its FEC and state reporting systems.

In short, the Party has undertaken highly substantial steps to put its financial house in order and instituted systems and controls to prevent a recurrence of the past instances of mismanagement that led to this Referral.

Thank you for your consideration and please feel free to contact us if you require any additional information.

Sincerely,

A handwritten signature in dark ink, appearing to read 'T. Josefiak', with a stylized flourish at the end.

Thomas J. Josefiak

Michael Bayes:

Counsel to the Republican Party of
Minnesota